



[7590-01-P]

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-275 and 50-323; NRC-2019-0131]

Pacific Gas and Electric Company; Diablo Canyon Nuclear Power Plant, Units 1 and 2

AGENCY: Nuclear Regulatory Commission.

ACTION: Environmental assessment and finding of no significant impact; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of exemptions in response to a December 13, 2018, request from Pacific Gas and Electric Company (PG&E, the licensee) for Diablo Canyon Nuclear Power Plant (Diablo Canyon), Units 1 and 2. One exemption would allow the licensee to use an amount of funds from the Diablo Canyon Nuclear Decommissioning Trust (NDT) for decommissioning planning above the amount limitations specified in NRC's regulations. Another exemption would allow the licensee to use withdrawals from the NDT to fund planning activities associated with spent fuel management and site restoration. The NRC staff is issuing a final environmental assessment (EA) and final finding of no significant impact (FONSI) associated with the proposed exemptions.

DATES: The EA and FONSI referenced in this document are available on [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Please refer to Docket ID **NRC-2019-0131** when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- **Federal Rulemaking Web Site:** Go to <https://www.regulations.gov> and search for Docket ID **NRC-2019-0131**. Address questions about NRC docket IDs in Regulations.gov to Jennifer Borges; telephone: 301-287-9127; e-mail: Jennifer.Borges@nrc.gov. For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

- **NRC's Agencywide Documents Access and Management System (ADAMS):** You may obtain publicly-available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdr.resource@nrc.gov. The ADAMS accession number for each document referenced (if it is available in ADAMS) is provided the first time that it is mentioned in this document.

- **NRC's PDR:** You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

FOR FURTHER INFORMATION CONTACT: Balwant K. Singal, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington DC 20555-0001; telephone: 301-415-3016, e-mail: Balwant.Singal@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction

The NRC is considering issuance of exemptions from sections 50.82(a)(8)(i)(A) and 50.82(a)(8)(ii) of title 10 of the *Code of Federal Regulations* (10 CFR) for Facility Operating License Nos. DPR-80 and DPR-82, issued to PG&E for operation of Diablo Canyon, Units 1 and 2, located in San Luis Obispo, California. The licensee requested

the exemptions by letter dated December 13, 2018 (ADAMS Accession No. ML18347B552) pursuant to 10 CFR 50.12. In accordance with 10 CFR 51.21, the NRC prepared the following EA that analyzed the environmental impacts of the proposed licensing action. Based on the results of this EA that follow, and in accordance with 10 CFR 51.31(a), the NRC has determined not to prepare an environmental impact statement for these exemption requests and is issuing a FONSI.

II. Environmental Assessment

Description of the Proposed Action

The proposed action would exempt PG&E from the requirements of 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.82(a)(8)(ii). One exemption would allow the licensee to use an amount of funds from the Diablo Canyon NDT for decommissioning planning above the amount limitations specified in NRC regulations for operating reactors. Another exemption would allow the licensee to use withdrawals from the NDT for planning activities associated with spent fuel management and site restoration. Overall, the proposed action would allow PG&E to withdraw \$187.8 million (\$2017)¹ from the Diablo Canyon NDT to fund radiological decommissioning, spent fuel management, and site restoration planning activities necessary prior to permanent cessation of operations of Diablo Canyon, Units 1 and 2, in 2024 and 2025, respectively. The proposed action is in accordance with the licensee's application dated December 13, 2018.

Need for the Proposed Action

By letter dated November 27, 2018 (ADAMS Accession No. ML18331A553), PG&E informed the NRC of its intention to permanently cease operation of Diablo

¹ In its application, PG&E submitted the decommissioning costs in 2017 dollars to be consistent with presentation of a year-end asset balance in the NDT. If the NRC grants the exemptions, funds would be withdrawn from the NDT in nominal (current) dollars.

Canyon, Units 1 and 2, on November 2, 2024, and August 26, 2025, respectively.

The requirements of 10 CFR 50.82(a)(8)(ii) restrict the use of NDT for decommissioning planning for operating reactors to three percent of the generic minimum decommissioning amount calculated, consistent with a formula set forth by the regulations at 10 CFR 50.75. Furthermore, as required by 10 CFR 50.82(a)(8)(i)(A), decommissioning trust funds may be used by the licensee if the withdrawals are for legitimate decommissioning planning activities, consistent with the definition of decommissioning in 10 CFR 50.2. This definition addresses radiological decontamination and does not include activities associated with irradiated fuel management or site restoration activities. Therefore, these regulations would limit withdrawal from the Diablo Canyon NDT to \$37.2 million (\$18.6 million per unit) and would allow spending only on planning activities for radiological decommissioning.

PG&E has estimated that a total of \$187.8 million (\$2017) would be required to be spent on pre-shutdown planning activities; \$148.4 million would be for radiological decommissioning, and \$39.4 million would be for spent fuel management and site restoration planning activities. The estimated \$148.4 million amount is more than three percent of the generic minimum decommissioning amount calculated, consistent with a formula set forth by regulations at 10 CFR 50.75. Furthermore, withdrawals from the decommissioning trust fund cannot be used to fund the PG&E estimated \$39.4 million for spent fuel management and site restoration planning activities absent (1) a clear indication that monies in the fund were collected for those purposes and are clearly and consistently accounted for separately,² or (2) an exemption from the requirements of

² In 1999, some licensees reporting under 10 CFR 50.75(f) did not distinguish between estimates of costs to complete decommissioning required by the NRC (radiological decommissioning) and other costs associated with cleaning up the site. The NRC staff issued Regulatory Issue Summary 2001-07, Revision 1, "10 CFR 50.75 Reporting and Recordkeeping for Decommissioning Planning," to clarify for licensees the need to

10 CFR 50.82(a)(8)(i)(A) for use of funds for those purposes.

Therefore, pursuant to 10 CFR 50.12, PG&E requests exemptions from 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.82(a)(8)(ii) to allow withdrawal of a total of \$187.8 million (\$2017) from the Diablo Canyon NDT to fund radiological decommissioning, spent fuel management, and site restoration planning activities prior to permanent cessation of operations of Diablo Canyon, Units 1 and 2, in 2024 and 2025, respectively, to support direct transition to decommissioning upon permanent cessation of operations.

Environmental Impacts of the Proposed Action

The proposed action involves exemptions from the requirements related to use of the NDT that are of a financial nature and allow PG&E to pay for decommissioning planning activities necessary to support direct transition to physical decommissioning upon permanent shutdown of Diablo Canyon, Units 1 and 2. The proposed action also allows PG&E to use these funds to support planning for spent fuel management and site restoration activities.

The NRC has completed its evaluation and concludes that there is reasonable assurance that adequate funds are available in the NDT to complete all activities associated with radiological decommissioning. There is no decrease in safety associated with the NDT being used to fund planning activities associated with radiological decommissioning, spent fuel management, and site restoration. As required by 10 CFR 50.75, PG&E has submitted a Decommissioning Funding Report for Diablo Canyon by letter dated March 26, 2019 (ADAMS Accession No. ML19094B780), which includes a site-specific decommissioning cost estimate for Diablo Canyon, Units 1 and 2.

preserve the distinction between radiological decommissioning cost estimates and all other decommissioning cost estimates in the reports licensees must submit in accordance with 10 CFR 50.75.

The regulations at 10 CFR 50.75 require, in part, that the report include the amount of decommissioning funds accumulated, modifications occurring to a licensee's current method of providing financial assurance since the last submitted report, and plans to adjust levels of funds assured for decommissioning to demonstrate that a reasonable level of assurance will be provided that funds will be available when needed to cover the cost of decommissioning. A licensee for a plant that is within five years of its projected end of operation is required to submit this report annually.

The proposed action will not significantly increase the probability or consequences of radiological accidents. Additionally, the NRC staff has concluded that the proposed changes would have no direct radiological environmental impacts. There are no changes in the types or amounts of effluents that are, or may be, released offsite resulting from these exemptions. PG&E must continue to comply with all appropriate NRC regulations related to occupational and public radiation exposure, and thus, the exemptions will not result in an increase to occupational or public doses.

With regard to the potential nonradiological environmental impacts, the proposed action would have no direct impacts on land use or water resources, including terrestrial and aquatic biota, as it involves no new land disturbing activities, new construction or modification of plant operational systems. There would be no changes to the quality or quantity of nonradiological effluents, and no changes to the plant's National Pollutant Discharge Elimination System permits would be needed. In addition, there would be no noticeable effect on socioeconomic conditions in the region, no environmental justice impacts, no air quality impacts, and no impacts to historic and cultural resources from the proposed changes. Therefore, there are no significant nonradiological environmental impacts associated with the proposed action.

Accordingly, the NRC concludes that there will be no significant environmental impacts associated with the proposed action.

Environmental Impacts of the Alternatives to the Proposed Action

As an alternative to the proposed action, the NRC staff considered denial of the proposed action (i.e., the “no-action” alternative). Denial of these exemption requests would result in no change in current environmental impacts. Therefore, the environmental impacts of the proposed action and alternative action are similar.

Alternative Use of Resources

There are no unresolved conflicts concerning alternative uses of available resources under the proposed action.

Agencies and Persons Consulted

On June 6, 2019, the NRC notified the State of California of this EA and FONSI. No additional agencies or persons were consulted regarding the environmental impact of the proposed action.

III. Finding of No Significant Impact

The proposed action would exempt PG&E from the requirements of 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.82(a)(8)(ii) to allow PG&E to withdraw \$187.8 million (\$2017) from the Diablo Canyon NDT to fund radiological decommissioning, spent fuel management, and site restoration planning activities. The proposed action would not significantly affect plant safety, would not have a significant adverse effect on the probability of an accident occurring, and would not have any significant radiological or non-radiological impacts. The reason the human environment would not be significantly affected is that the proposed action involves an exemption from requirements that are of a financial nature that do not have an impact on the human environment.

The related environmental document is the Diablo Canyon Final Environmental Statement dated May 1973 (ADAMS Accession No. ML15043A481),³ which provides the latest environmental review of operations of Diablo Canyon, Units 1 and 2.

Consistent with 10 CFR 51.21, the NRC conducted the EA for the proposed action, which concluded that there will be no significant environmental impacts associated with the proposed action. This FONSI incorporates by reference the EA included in Section II of this document. Accordingly, the NRC has decided not to prepare an environmental impact statement for the proposed action.

The finding and other related environmental documents may be examined, and/or copied for a fee, at the NRC's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852. Publicly available records are accessible electronically from ADAMS Public Electronic Reading Room on the internet at the NRC's website: <https://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC's PDR Reference staff by telephone at 1-800-397-4209 or 301-415-4737, or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland, this 12th day of August, 2019.

For the Nuclear Regulatory Commission.

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³ Final Environmental Statement Related to the Nuclear Generating Station Diablo Canyon, Units 1 and 2, Pacific Gas and Electric Company, Docket Nos. 50-275 and 50-323, May 1973.

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